

## Budget Experiment Handout

Go to: <http://www.kowaldesign.com/budget/money.html>. The first activity is to actually allocate the federal budget. You'll answer the question: **Where Does Your Money Go?** You can change the percentages according to how you believe they should be allocated. Follow the procedures below:

1. Use the pull down menus to select the percentage that you believe or want to be allocated to each category.



<b>Department of State</b> (Foreign Affairs, International Assistance)	10%
<b>Department of Defense</b> (Personnel, Operations, Research, Retirement)	10%
<b>Environmental Protection Agency</b> (Grants, Research, Hazardous Waste Cleanup)	10%
<b>Centers for Medicare and Medicaid</b> (Medicare, Medicaid, Children's Health)	10%
<b>Social Security Administration</b> (Disability, Old Age & Survivors' Insurance)	10%
<b>Interest</b> (Interest on the Public Debt)	10%
<b>Other</b> (All Other Expenses)	40%

2. When you've finished making changes, click on the link:

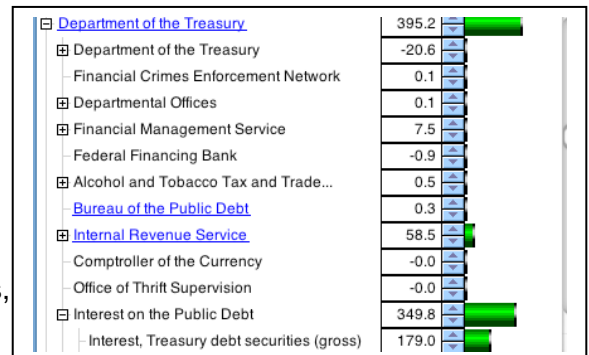
[Next: Current Budget Percentages](#)

3. The Budget Explorer will then give you feedback on your budget. If you were testing how well you knew the real allocations, see how closely you got. If you were choosing percentages based on what you wanted the amounts to be, use the feedback to see what areas of the budget you'll be trying to increase or decrease when it's your turn to adjust the actual budget amounts. After you've read (and printed or saved) the feedback, click on the next link:

[Next: The Complete US Federal Budget](#)

4. On this click you'll have the actual figures from the Federal Budget. Scroll down and click on "Department of the Treasury" and then "Internal Revenue Service" to expand the listing in that category.

- What amount is set aside for interest on the public debt? What is interest?
- What is the unit? dollars? thousands of dollars, millions? billions, trillions?
- What benefit do you think Americans get from this large expenditure?



<b>Department of the Treasury</b>	395.2
Department of the Treasury	-20.6
Financial Crimes Enforcement Network	0.1
Departmental Offices	0.1
Financial Management Service	7.5
Federal Financing Bank	-0.9
Alcohol and Tobacco Tax and Trade...	0.5
Bureau of the Public Debt	0.3
Internal Revenue Service	58.5
Comptroller of the Currency	-0.0
Office of Thrift Supervision	-0.0
Interest on the Public Debt	349.8
Interest, Treasury debt securities (gross)	179.0

5. Watch what happens to the Deficit / Surplus dial if you reduce the interest level a little with the toggle down arrow. Watch what happens to the Deficit / Surplus dial if you reduce the interest level to "0".

